NOTIFICATION

Bangalore, dated 23rd April 1965.

G.S.R. 491a.—In exercise of the powers conferred by Section 10 of the Mysore Land Improvement Loans Act, 1963 (Mysore Act No. 16 of 1963) the Government of Mysore hereby makes the following rules, namely :—

1 Title.—These Rules may be called the Mysore Land Improvement Loans Rules, 1965.

2 Definitions.—In these rules, unless the context otherwise requires,—

(*a*) "Act" means the Mysore Land Improvement Loans Act, 1963;

(*b*) "Section" means a section of the Act;

(*c*) "Form" means a form appended to these rules.

3 Purposes for which loans may be granted.—Loans may be granted for any purpose which is a land improvement work within the meaning of clause (*b*) of Section 2.

4. Manner of making applications for loans.—(1) Every application for a loan under these rules shall be in Form No. I and shall be made to the Tahsildar of the Taluk or to such other officer as may be specified by Government by a notification for any Taluk or part of a Taluk.

(2) When the security offered for the loan is land, extracts from the Record of Rights relating thereto shall be attached to the application.

(3) When the improvement work to be undertaken involves protessional skill, the applicant shall annex to the application an accurate plan, specification and estimate for the said work. In case the applicant is unable to comply with this requirement, the officer concerned may get it done on behalf of the applicant after making him deposit with Government such sum of money as may be sufficient to cover the cost.

(4) On receipt of the application for a loan under the Act in the Taluk Office or in the office of such other officer as may be specified by Government by a notification for any Taluk or part of a Taluk as the case may be, a receipt shall forthwith be given to the applicant, and without any delay, the particulars of the application shall be entered in the inward register of the office and in the Register of applications for loan under the Act in Form No. 2.

5. Officers empowered to make enquiries :—All Revenue Officers not below the rank of a Revenue Inspector of Circle and such other officer or officers as may be specified by Government by a notification for any Taluk or part of a Taluk are empowered to make an enquiry for the purpose of verifying the correctness of the particulars in the application for a loan.

6. Manner of conducting enquiries :—(1) A local enquiry in respect of the particulars contained in the application for a loan shall be held after causing a notice containing the particulars of the application and inviting objections within such period as may be specified in the notice, to be affixed in the village or chavadi, where the land to be improved is situated. Any objections received within a stipulated period shall be heard by the authority competent to grant the loan or such other subordinate officer as may be authorised by such competent authority by a general or special order.

(2) The land to be improved shall ordinarily be inspected by the authority competent to grant the loan and where such an inspection is not possible on administrative or other grounds, an on-the-spot-inspection report of the land to be improved may be obtained from an officer not below the rank of a (i) Deputy Tahsildar if the amount of loan applied for does not exceed one thousand rupees, and (ii) Special Tahsildar, if the amount of loan applied for exceeds one thousand rupees.

(3) Every enquiry shall be made to ascertain the matters to complete Form No. 3, and after such enquiry

the authority shall either sanction the loan, if it is within its competence, or forward through proper channel the application with its report to the higher authority competent to sanction the loan either recommending the grant or rejection of the loan in full or in part;

(4) Unless the Officer competent to grant the loan is satisfied of the sufficiency of the security with a margin for safety, the loan shall be refused.

7. Powers exercisable by Officers conducting enquries:— Officers conducting enquires shall be competent to exercise the powers conferred on a Revenue Officer by the Mysore Land Revenue Act, 1964 and the Rules made thereunder for purposes of conducting inquiries under the said Act.

8. Officers competent to grant loans.—(1) The officers specified in column (1) of the following Table may grant loans not exceeding the amounts specified in the correspond-in entry of column (2) thereof, namely:—

TABLE.

1	2
Tahsi'dar or Special Tahs ldar of a Taluk; or any other Officer specified by Government by a notification for any Taluk or part of a Taluk.	One thousand rupees.
Assistant Commissioner of a Revenue Sub-Division.	Two thousand and five hundred rupees.
Deruty Commis ioner or Special Deputy Commissioner of a District.	Five thousand rupees.
Divisional Commissioner of a Division.	Ten thousand rupees.

(2) Loans exceeding ten thousand rupees may be granted by the Divisional Commissioner with the previous sanction of the State Government.

(3) Nothing in sub-rule (i) shall be deemed to preclude the grant of more than one loan to the same person exceeding the maximum amount up to which any officer may grant a loan, provided that the purpose for which each such loan is granted is different, the amount granted does not exceed the maximum amount specified and such loan is secured by a different security.

9. Nature of security to be taken for the due application and repayment of the loan.—(1) The land to be improved including the site of the work to be constructed shall be taken as security.

(2) (*a*) If the value of the interest of the applicant in the land to be improved and offered as security for the loan is not less than eighty per cent of the value of the land subject to the provisions of the Tenancy Acts for the time being in force and will cover the amount of the loan to be granted with interest payable thereon and the cost, if any, likely to be incurred in making the grant, the loan applied for may be granted on the security of such land;

(*b*) If the value of the land does not satisfy the requirements of clause (a):— (i) Collateral security consisting of—

(A) other land belonging to the applicant; or

(B) land belonging to other persons who are offered as sureties; or

(C) both the lands referred to in items (A) and (B) shall be taken, provided that the total value of the land of the apolicant and of the lands or land offered as collateral security is sufficient to cover to the loan with a margin for safety.; or

(ii) Collateral security consisting personal security of one or more persons whose solvency is, taking into consideration all relevant factors,

sufficient to cover the loan with interest with a margin for safety provided that where more than one person offer personal security, all of them shall bind themselves to repay the loan jointly and severally ;

(3) A second, third or fourth loan may be granted to the same person on the security of the same land, on which a loan has already been granted, provided that the total amount outstanding at any time does not exceed the maximum loan admissible on the security of the land offered by the applicant ; provided that a subsequent loan shall not be granted to a contumacious defaulter or a person from whom instalments in respect of earlier loans are overdue.

10. Condition under which loans may be granted.— Loans under these rules may be granted subject to the following conditions namely :—

(*a*) the amount of loan shall be utilised only for the purposes for which it is granted ;

(*b*) the amount of loan shall be utilised within the period allowed or extended by the Officer granting the loan;

(*c*) neither the borrower nor his heirs, executors, administrators, or Assigns shall transfer by way of mortgage, sale, gift, lease or otherwise howsoever any land mortgaged as security for the loan ;

(*d*) any instalment of the loan and previous loan, if any, shall be payable on such earlier date than the date fixed in that behalf or may be fixed in any year having regard to any exceptional agricultural conditions ;

(*e*) any instalment of the loan and previous loan may be increased to such amount not exceeding double the amount fixed while granting the loan, as may be determined in any year by the officer granting the loan having regard to any exceptional agricultural conditions in the year.

11. Conditions to be satisfied before granting loans.— (1) No loan shall be granted under these rules, except after

enquiry is made, a spot inspection of the land to be improved is made and adequate security to cover the loan with interest and costs, if any, is taken. A reference in Form No. 4 shall be made to the Registration Department for an encumbrance certificate in respect of the land or lands offered as security, and no loan shall be granted until a reply to the reference is received, and the officer granting the loan is satisfied about the value of the land or lands offered as security.

(2) (*a*) When the improvement work to be undertaken involves professional skill and its estimated cost exceeds two thousand rupees, the opinion as to the feasibility, probable cost, and merits generally from a professional point of view shall be obtained from the Departments specified below. In any other case, the officer dealing with the application may call for similar professional opinion if considered necessary.

Purpose of the loan	*Departments to be consulted.*
(i) the construction of wells, tanks and other works for the storage, supply or distribution of water for the purposes of agriculture, or for the use of men and cattle employed in agriculture;	Department of Public Works.
(ii) the preparation of land for irrigation;	Department of Agriculture.
(iii) the drainage, reclamation from rivers or other waters, or protection from floods or from erosion or other damage by water, of land used for agricultural purposes or waste land which is cultivable;	Department of Public Works.
(iv) the reclamation, clearance enclosure or permanent improvement of land for agricultural purpose;	Department of Agriculture.
(v) the renewal or reconstruction of any of the foregoing works or alterations therein or additions thereto;	Department of Public Works or Department of Agriculture, as the case may be.

(*b*) In the case of an application for loan for construction of or reconstruction of irrigation well, or alterations therein or additions thereto, the Department of Public Works shall be consulted

when the cost exceeds three thousand rupees after the estimates are checked by the sub-overseer attached to the Taluk Office with reference to the sanctioned scheme of rates likely nature of the sub-soil and probable depth;

(*c*) If the Department of Agriculture or the Department of Public Works does not furnish its opinion within a period of two months of the receipt of the reference, the concurrence of the Department may be presumed and further action taken to sanction or refuse the loan.

(3) After the local enquiry and such further investigation as is prescribed in the foregoing rules, and after obtaining adequate security, the Officer competent to grant the loan is satisfied that the loan either in full or in part may be granted, he shall record a decision to the effect and shall at once issue an order granting the loan, in Form No. 5. The contents of the order shall be explained to the applicant and his signature obtained in token of understanding and agreeing to the conditions contained therein.

(4) The bond to be taken when personal security or collateral security consisting of land or other immoveable property is offered by the borrower or his sureties shall be in such form or forms as the State Government may by order from time to time direct.

(5) The loan sanctioned may be disbursed either in one or more instalments as may seem fit to the sanctioning authority, on production of the security bond duly executed. Large loans shall be paid in two or more instalments. The sanctioning authority shall use his discretion having regard to the opportune time for starting the improvement work and actually disburse the sanctioned loan at such opportune time.

(6) The amount granted as a loan shall be utilised within a period of two years from the date of disbursement of the loan or the first instalment thereof, provided that the sanctioning authority may extend the said period by one year in special cases of hardship where the borrower for

reasons beyond his control cannot utilise the amount for the work within the said period of two years.

12. Rate of interest and recovery thereof---(1) Interest at seven and a half percent per annum shall be charged on loans granted under the Act. Penal interest at nine percent per annum or such other rate as the co-operative societies may charge from time to time shall be levied upon all over-due instalments of interest or principal and interest.

(2) Notwithstanding anything contained in sub-rule (1), the principle of "Damdupat" shall be applied to the recovery of the loans under the Act and these rules and it may be ensured.—

(*a*) that the amount recovered as interest at one time does not exceed the principal;

(*b*) that in pending cases where the arrears of interest already accrued exceed the principal, the interest may be scaled down and a sum equal to double the principal may be recovered without any further interest over a period of three years, if the defaulter binds himself to pay the subsequent instalments regularly, and if within that period repayment is not made in instalments, penal interest shall be levied and steps taken to realise the outstandings.

13. Period for repayment and mode of recovery of loan.—(1) (*a*) The authority sanctioning the loan, shall subject to the maximum period of twenty-five years specified in section 6 fix the period or repayment of the loan together with the interest thereon and the costs incurred in granting the loan and the amount of instalment, subject to the maximum limits specified below :—

(1) If the loan does not exceed Rupees one thousand	Eight Years.
(2) If the loan exceeds one thousand rupees but does not exceed two thousand and five hundred rupees	Ten Years.
(3) If the loan exceeds two thousand five hundred rupees but does not exceed five thousand rupees	Fifteen Years.

(4) If the loan exceeds five thousand rupees but does not exceed ten thousand rupees	Twenty Years.
(5) If the loan exceeds ten thousand rupees	Twenty-five Years.

(*b*) The time limits for repayment specified in clause (a) shall count where the loan is disbursed in full at one time, from the date of disbursement of the loan or where the loan is disbursed in instalments, from the date of disbursement of the last instalment, provided that where the loan is disbursed in instalments and the borrower does not take action to receive the last instalment on the date appointed for the purpose or within a reasonable period from such date, the authority sanctioning the loan may declare the loan as closed and direct by order the repayment of the loan taken and when such a direction is made, the time limit shall be counted from the date on which the last instalment had to be received by the borrower.

(*c*) The date of repayment of each instalment on half-yearly or yearly basis shall be so fixed as to coincide with the date of one of the land revenue khists of the taluk. The cost, if any, incurred in making a loan shall be recovered from the grantee along with the amount repaid as the first instalment. Instalments paid before the due date shall be taken entirely towards principal, unless any interest for a preceding period is overdue.

(2) Whenever recovery of land revenue is suspended, the recovery of the loan may also be suspended to the same extent.

14. Inspection of works for which loans have been granted.—(1) All land improvement works for which loans have been disbursed shall be inspected by officers empowered to sanction the loans as far as possible or any other officer

not below the rank of a Revenue Inspector by the approximate date about which the work is proposed to be commenced and thereafter till the completion thereof. If the loan is disbursed in instalments, the work shall be inspected and reported upon before each instalment subsequent to the first is paid.

(2) If the borrower fails to carry out in the time prescribed the work or part of the work for which he has received the loan or an instalment thereof, the officer granting the loan may extend the time prescribed on reasonable cause being shown for the failure to carry out the work in time. If the borrower fails to complete the work or part of the work within the period thus extended prompt steps shall be taken to recover the loan in accordance with the provisions of section 7.

15. Accounts.—The accounts for all loans under these rules shall be kept in Form No. 6 and the accounting procedure laid down in the Mysore Financial Code, 1958, shall be followed.

[No. RDF 22 TKV 63]

By Order and in the name of the Governor of Mysore,

30 N. NARASIMHA RAU, *Secretary.*

FORM No. 1.

[*See* Rule 4 (1)].

Mysore Land Improvement Loans Act, 1963.

FORM OF APPLICATION.

I. Name of the applicant and his full residential address.	
II. Amount and object of the loan (nature of the proposed land improvement.)	
III. Name of the village, Survey No., extent and assessment of the land to be improved with relevant extracts of Record of Rights,	
IV. Rights of the applicant in the land to be improved.	
V. Nature of security whether personal or otherwise.	
VI. Proposed time for repayment.	

Place :

Signature of the applicant

Date :

Notes.—1. The application with the requisite court fee stamp may be made to the Tahsildar of the Taluk or to such other Officer as may be specified by Government by a Notification for any Taluk or part of a Taluk.

2. The loan if sanctioned shall bear the interest at seven and a half per cent per annum.

3. Adequate security in the form of immovable property is necessary to cover the loan.

FORM No. 2.

Register of applications for loans under the Mysore Land Improvement Loans Act, 1963.

[*See* Rule 4 (4)].

Taluk District of For the revenue year 19 —19 .

Serial No. of Application	Date of receipt of application in the Office	If the application is received through other Officers		Name, father's name and residence of applicant	Name of Village in which the loan is to be utilised	Amount of loan required	Purposes for which required	To whom made	References			Whether loan sanctioned or refused. If refused reasons for refusal. Number and date of sanction or refusal	Amount sanctioned, number and date of loan Order	Remarks
		Officers from whom received	No. and date of Reference						Date of Reference	Date of receipt of reply	Name of Officer who investigated and his opinion in brief			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

Index to Application Register under.....

Note.—Cases disposed of should be denoted by enclosing the number by a Circle thus 0

Number	Name of Villages in alphabetical order	Number of cases in the Application Register	Total in each Village
1	2	3	4

1 This Register should be maintained by each of the Officers competent to sanction the loan.

FORM No. 3.

See Rule 5 (3)—M. L. I. L. Act, 1963.

Particulars to be filled in by the Officer conducting the local enquiry after verifying the details in the application.

(At whatever stage of the enquiry it appears that the loan cannot be granted, the enquiry Officer should stop and endorse the reason and cease filling up any more of the particulars).

1. Serial number of the applicant.	
2. (a) Name and village of the applicant. (b) Amount of loan applied for.	
3. (a) Village, Survey Number, description (Dry, Wet or Garden) extent, assessment of land to be improved. (b) Purpose for which loan is sought.	
4. Status of the applicant in the Record of Rights; if he has no right to make the improvement, does the superior holder consent to the loan?	
5. Is the applicant in arrears to Government for land revenue or for any instalments of a loan previously obtained?	
6. Is the application *bona fide* and the applicant solvent?	

7. Security offered :
   (a) i the said it-elf —
      (i) the value of the applicant's interest in it ;
      (i) litigation if any, pending in respect of it ; and
      (i.) wh ther the loan applied for is within eighty per cent of the value of the land (being the applicant's interest) subject to the provisions of the Tenancy Acts for the time being in force.
   (b) If personal — the names and status of the surety or sureties and the value of their immoveable property.
   (c) If property—Other than the land itself, its nature, survey number, area assessment and value and extent of pre-existing encumbrances.

8. The Improvement :
   (1) Sketch (on a separate sheet) of the Land to be improved ;
   (2) Full description of the state of and measurements of any existing work ;
   (3) Full description and measurements of the improvements proposed ;
   (4) In the case of wells, whether bore or jumper experiment has been tried and with what result ;
   (5) Description of materials to be used ;
   (6) Estimated value of proposed improvement ;
   (7) Estimate of the area that will be benefited ;
   (8) Estimated value of the net increased produce from the work ;
   (9) Year in which the work will begin to yield profit, and life of improvement.
   (10) Capacity of borrower ; note if he has other resources ;

9. Outstanding balance, if any, *e. g.*, Land Revenue, Takavi, Irrigation Cesses, etc.	
10. (1) Whether the loan should be advanced in one lump sum or in instalments ; (2) If instalments, their dates with conditions as to which part or parts of the proposed work are to be completed before issue of subsequent instalments.	
11. Period within which the work is to be completed or object carried out.	
12. Re-payment :— (1) Year of first instalment with reference to item 8 (9) ; (2) Amount of instalment (consolidating principal and interest) ; (3) Period of repayment ; (4) Signatures in token of correctness of, and consent to, the above particulars ; (i) Applicant. (ii) Person other than the applicant having interest in the land ; (iii) Personal surety : (iv) Person giving collateral Security ; (v) Signature of attesting Officer ;	
13. Objections, if any , (1) Date of publication of notice under Rule 6 (1 ; (2) Nature of objections raised, and orders thereon ;	

14. List of papers to be annexed ; (1) Extracts from record of rights ; (2) Deeds, if any. pr sented ; (3) Panchan amas or officers' own estimates as to :— (a) Value of land to be improved ; (b) Value of collateral security ; (c) Estimated cost of wo k ; (d) Estimated amou t of p ofit ; (4) Notice under Rule 6 (1), with objections received and order.	
15. Op'nion and recommend tion in the own hand of the Officer conducting the enquiry.	

Note :—The Enquiry Officer should, among other rema ks, particulars make a note (as to whether the work is feasible, also) as to the Appli ant's director for thrift and regularity in fulfilling his obligations. (See item No. 9 above)

Submitted for sanction to

Tahsildar of other Inquiry Officer

16. Sanctioned for Date	Rs. (in words)

Grantor

17. Endorsement as to completion of the work— (1) Date of Orders (to the Revenue Officer) for inspection and report ; (2) Result of inspection, with action taken, if any, owing to misapplication.	

FORM No. 4.

[*See* Rule 11(1)]

Mysore Land Improvement Loans Act, 1963.

Reference to Registration Department for Encumbrance Certificate.

No. Date

The Sub-Regietrar of

Name of Applicant :

Amount of Loan required :

Particulars of land *for w'iich encumbrance cer'ificate is required.

Name of Village	Dry, Wet or Garden	Survey Number	Extent A. G.	Assessment Rs. p.

Remarks :

Tahsildar/Special Tahsildar of Officer specified by Government for a Taluk or part of a Taluk.

*If otber immovable property, it should be suitably described.

FORM No. 5

See Rule 11 (3)

MYSORE LAND IMPROVEMENT LOANS ACT, 1963.

Order granting a loan under the Mysore Land Improvement Loans Act, 1963.

No.

OF

1. The sum of Rs. is granted to Sri/Smt.... *Son of/Daughter of/Wife of/* at

(with the consent of Shri/Smt. the record of which is hereto annexed*) as a loan under the Mysore Land Improvement Loans Act, 1963 for the purpose of (+).....
for the benefit of (++) subject to the following conditions :—

2. The conditions referred to are as follows :—

(a) That the amount of this loan shall be paid to the aforesaid (name of the borrower) either in one or more instalments as specified hereunder on the execution of the necessary security bonds. When the loan is to be paid in instalments, the first instalment may be paid on the production of this order (here enter place at which this order is to be presented for payment), and the second on proof that the first instalment has been properly utilized.

Amount of Loan Sectioned	Instalment
Rs.	Rs.

(b) (i) That if the first instalment has not been utilized within the period of (here enter the period allowed for the first instalment) ; or

(ii) If it shall be proved to the satisfaction of the Officer granting the loan that any portion of the loan has been misapplied to any other purpose than that above specified or that the whole amount of the loan has not been fully applied to the purpose for which it was granted within the period of (here enter period allowed for utilisation of full amount of the loan), the whole unpaid balance of the loan or such portion of it as the officer granting loan may determine with interest at per cent and cost, if any, shall be deemed at once to become due.

(iii) The borrower shall give an undertaking to the effect that there are no encumbrances existing on the land mortgaged by the borrower as security for the loan.

(c) (i) That the loan with interest thereon at (@) per cent shall be repaid by equal half-yearly or yearly instalments of Rs..... each, falling due with the khist of the revenue year commencing with 19 19 . It shall be open to the officer granting the loan to reduce the number of instalments and to increase the amount of the half yearly or yearly payment so as to recover the loan within a shorter period than herein allowed if he finds the work after completion is not sufficiently durable to last for the period originally mentioned in the loan order.

(ii) Such half-yearly or yearly payment shall be made to the village Officers, if the demand has been included in the borrower's khate or to the Tahsildar and is in addition to the land assessment.

(iii) If default in the payment of half-yearly or yearly instalment on account of the loan occurs and recovery cannot otherwise be made, or if the borrower applied to be adjudicated, or is adjudicated an insolvent, the entire unpaid balance of the loan or such portion of it as the Officer granting the loan or such portion of it as the Officer granting the loan may determine shall be deemed to become due at once and the whole of the land specified under condition (d) or such portion of it as the officer granting the loan may deem necessary, shall be sold for the recovery of the amount, with interest thereon and expenses of sale, if any.

(d) (++) That for the repayment of the loan with interest and cost, if any, due on the same, the immovable property specified below is (in addition to the land for the Benefit to which the loan is granted) hyphothecated as collateral security to Government.

Signature of the Officer granting the loan.

I have understood and agreed to the aforesaid terms and conditions.

Signature of the borrower.

* To be inserted when the loan is being granted with the consent of the person having the right to make the improvement to person not having that right.

(*) Here describe in detail the purpose of the loan.
Here describe the lands benefited.

NOTE :—All immovable property hypothicated as collateral Security, whether by a borrower himself or by a surety or sureties, should be specified in the margin of clause (d) of the order granting the loan, and should as well as the land to be improved be described as nearly as may be, in the manner prescribed in Section 21 of the Indian Registration Act, 1908.

FORM No. 6

(*See* Rule 15)

Mysore Land Improvement Loans Act, 1963

REGISTER OF PAYMENTS.

(A separate page to be set apart for each loan)

No. and date of Order granting the loan.	Name and residence of the holder or the order granting the loan.	Amount of loan granted either in lumpsum or in instalments (no. of instalments to be specified).	Number of instalments in which the loan is repayable.	Repayments. Amount of each instalment in accordance with the scale in the table of equated payments	Date on which each instalment is due.	Date of payment of instalment.	Amount of instalment paid.	Interest paid on arrears of instalments.	Remarks.
1	2	3	4	5	6	7	8	9	10

N. B.—Column 10 to be used for noting postponement of instalment, if any.